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**Optimize software product strategy
through targeting growth market
opportunities...**

U.S. Software Products Market, 1989-1994

Current and Prospective Software Vendors:

- **FORECAST** your potential market for the next five years
- **MAXIMIZE YOUR R&D** by focusing on the higher growth product opportunities for the 1990s
- **INCREASE YOUR MARKET SHARE** by effectively restructuring your software product strategy
- **COMPETE SUCCESSFULLY** by assessing your competitor's software strategies
- **IDENTIFY** candidates for potential alliances and/or mergers and acquisitions
- **STAY AHEAD** by evaluating emerging technologies for incorporation into an integrated product strategy
- **EVALUATE** current software market issues for possible weaknesses in product positioning

**CA, Sybase, Ingres,
McCormack & Dodge,
The Santa Cruz
Operation, and more...
are profiled in INPUT's
U.S. Software Market
report**

U.S. Software Products Market, 1989-1994

Market Size and Forecasts

- | | |
|---|--|
| <ul style="list-style-type: none"> • Overall Market, 1989-1994 • Applications Software <ul style="list-style-type: none"> - Overall Market Size and Growth - Industry-Specific Applications Market - Cross-Industry Applications Market - Leading Applications Software Products Vendors | <ul style="list-style-type: none"> • Systems Software <ul style="list-style-type: none"> - Market Size and Growth by Principal Sub-Delivery Modes - Leading Systems Software Products Vendors • Market Forces • Market Opportunities |
|---|--|

Issues and Trends

- | | |
|--|--|
| <ul style="list-style-type: none"> • Software Products Technology/Market Trends <ul style="list-style-type: none"> - Client/Server Implementation - Application Development Tool Technology - Voice Recognition - Image Processing/Document Management - Multimedia Applications - Mergers and Acquisitions - Alliances - Standards - Project Management Software - Decision Support Systems/Executive Information Systems | <ul style="list-style-type: none"> • Principal Software Industry Issues <ul style="list-style-type: none"> - Migration - Standards - Multi-platform Support - Product Obsolescence - Downsizing - User Confusion - Return on Investment (ROI) |
|--|--|

Competitive Environment

- | | |
|--|---|
| <ul style="list-style-type: none"> • Software Markets Structural Change • Competitive Strategies | <ul style="list-style-type: none"> • Software Company Profiles |
|--|---|

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Information that's CRUCIAL for Software

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Both vendors and users can benefit from the analysis of the software products market size and growth rates, market trends and issues and the changing competitive environment, featured in this report.

The U.S. software products market is maturing, reflected in slowing annual growth rates. The adjustment to a slower growth environment is being complicated by the requirements for increasing product complexity, global market positioning and accelerating rates of software product obsolescence.

The content of the report addresses the following questions related to the structural changes of the software products industry.

What are the largest application software products markets, and what markets represent the higher growth opportunities?

Much of the historical product development emphasis in the software products industry was on cross-industry (horizontal) solutions. Certain of these cross-industry markets now represent the larger, more mature software product sectors. However, there are still high growth market opportunities in several of the cross-industry sectors, which are identified in the report.

Industry-specific (vertical) software products markets are receiving considerable attention, particularly from the large computer systems vendors, as part of a total solutions marketing strategy. Many vertical markets represent smaller niche market segments. The larger, faster growing vertical markets, which can provide sustained longer term growth, are highlighted in the report.

Why the systems software products market will reflect a higher growth rate than the application software software markets in the 1990s

The application development tool market is projected to represent major product opportunities in the 1990s for independent software vendors, computer systems vendors and professional services companies. The ability to develop quality software in a cost competitive manner will be a major factor for success in the software products markets of the 1990s.

CASE, image processing, and voice recognition all represent technologies in early stages of development, with large market potential over the next ten years.

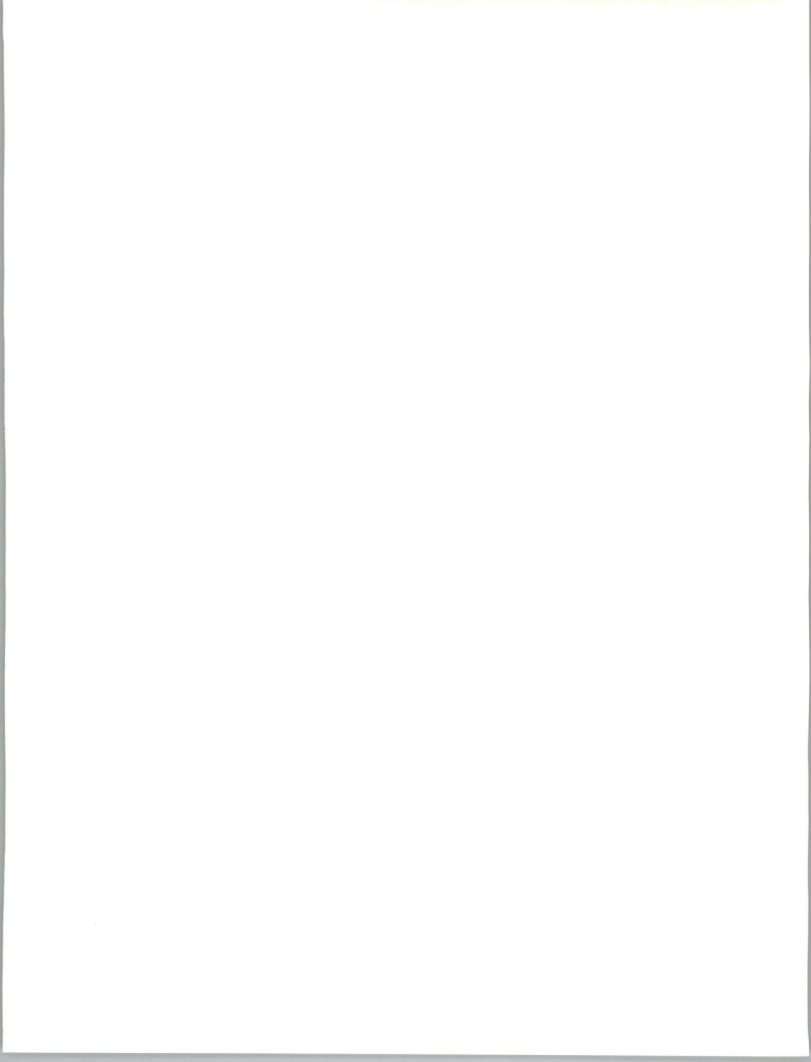
Why many software products companies should have formal alliance and mergers and acquisitions programs

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Also, the relative performance of the high technology sectors in recent years versus the broader market indexes reflects investors' perceptions of the maturing of this industry. The ability to raise capital for both new and mature software products companies through the traditional public markets has become much more difficult since the stock market 'crash' of October 1987.

Increasingly, software company managers will be required to look to alternative methods for leveraging their technology, including marketing relationships and equity from non-traditional market sources.

In addition, the larger computer systems, professional services, and non-industry companies with strong financial and marketing capabilities are becoming much more aggressive in the software products markets. This is increasing the level of competition.



About INPUT

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Continuous-information advisory services, proprietary research/consulting, merger/acquisition assistance, and multiclient studies are provided to users and vendors of information systems and services (software, processing services, turnkey systems, systems integration, professional services, communications, and systems/software maintenance and support).

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Tel. (201) 299-6999
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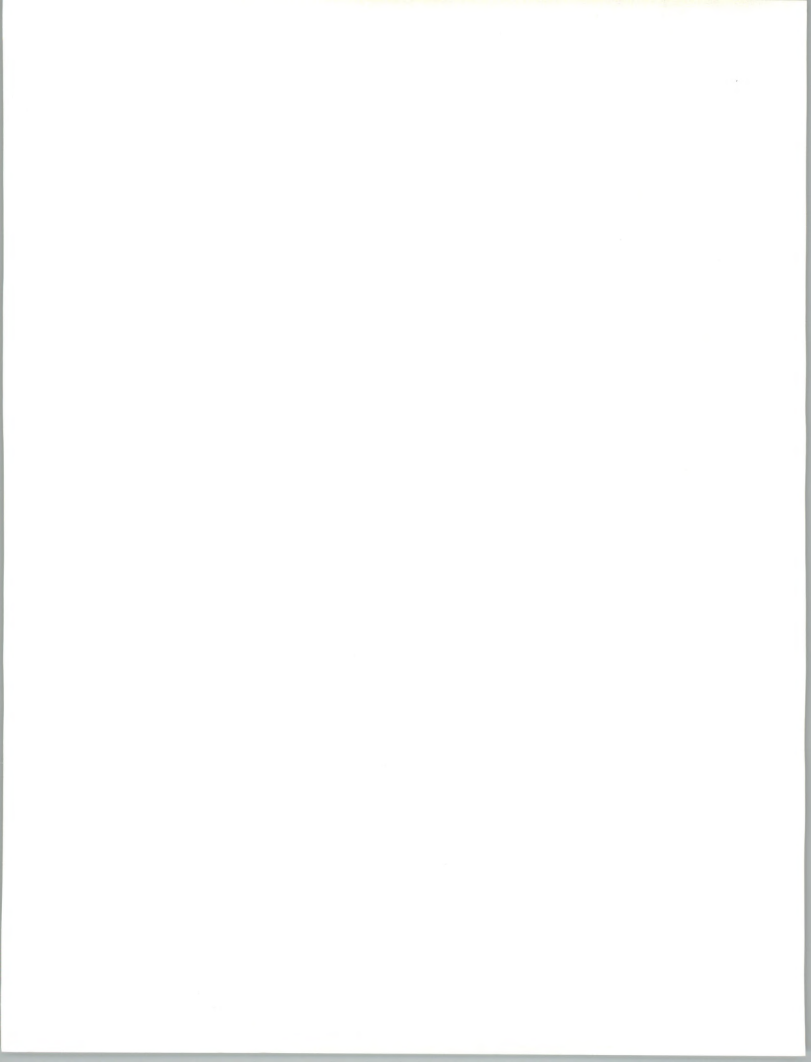
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Tokyo

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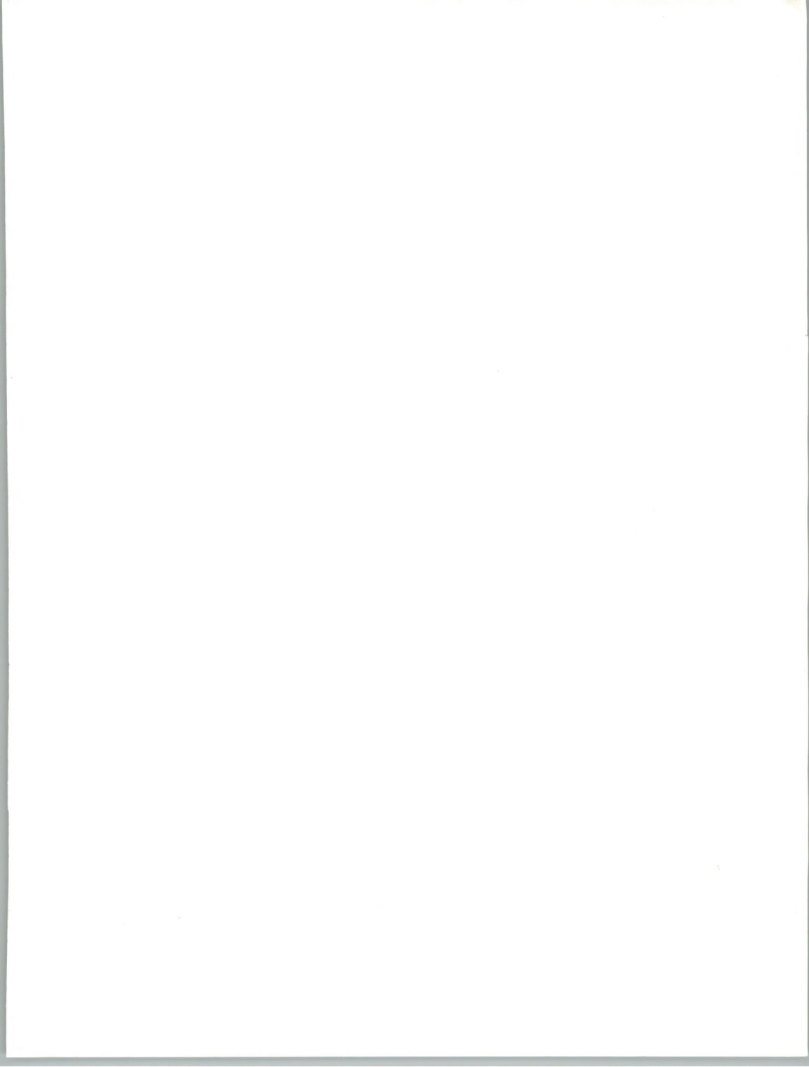
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Success in the 1990s

The report outlines approaches for both independent software developers and computer systems vendors to maximize product opportunities within this changing environment.

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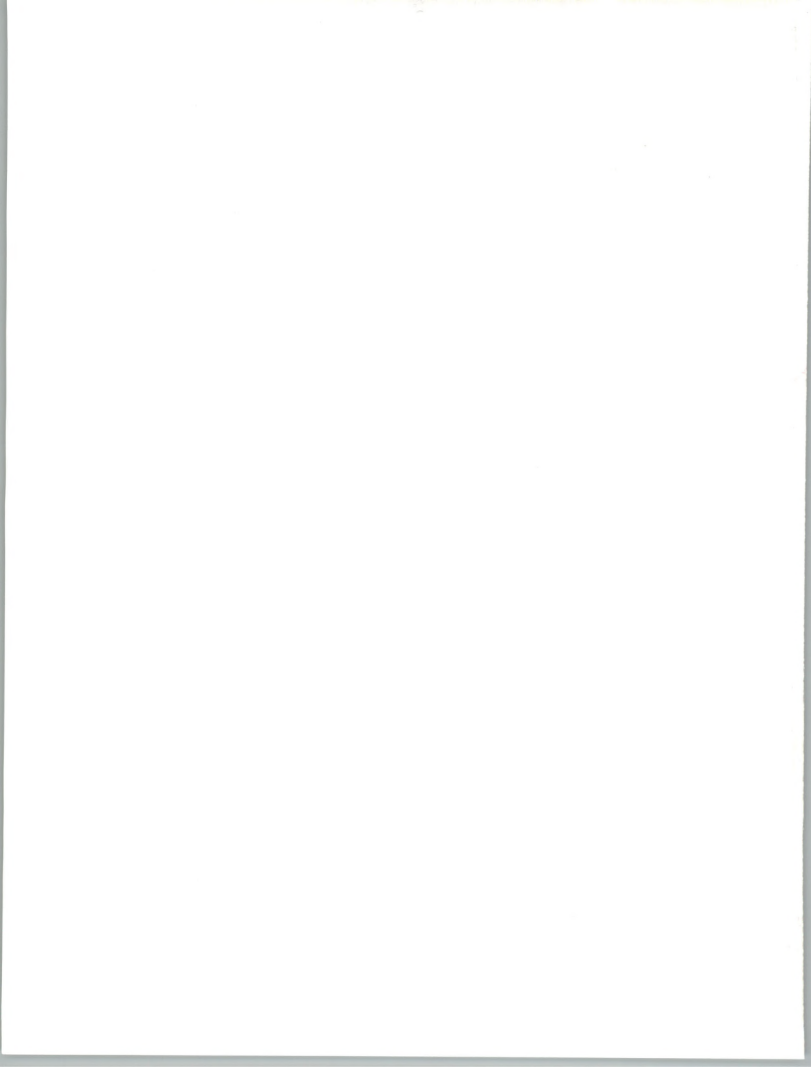
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1280 Villa Street
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(415) 961-3300
Telex 171407 Fax (415) 961-3966

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959 Route 46 East, Suite 201
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Telex 134630 Fax (201) 263-8341

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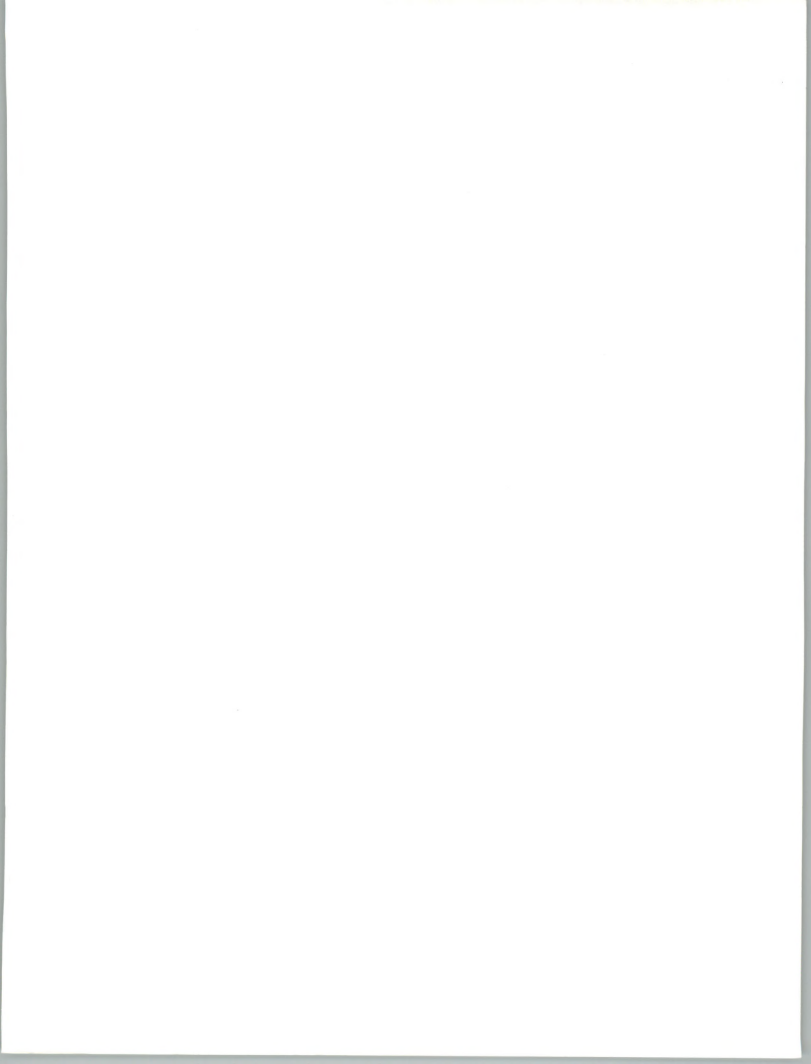
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33/37 Regent Street
London SW1Y 4NF, England
(01) 493-9335
Telex 27113 Fax (01) 629-0179

Paris

52, boulevard de Sébastopol
75003 Paris, France
(33-1) 42 77 42 77 Fax (33-1) 42 77 85 82

Tokyo

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Chiyoda-ku, Tokyo 101, Japan
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Optimize software product strategy by targeting growth market opportunities

The U.S. software products market overall growth is projected to slow modestly over the next five years as the industry continues to show signs of maturing. However, INPUT projects that this market will continue to provide strong growth opportunities in many software market sectors.

INPUT projects that the systems software products market, in particular, will provide a number of high-growth product opportunities.

The just-completed *U.S. Software Products Market, 1989-1994*, focuses on the reasons behind the slowing growth rate, identifies the product and market areas expected to provide the highest growth rate potential, and discusses strategies for maximizing growth opportunities within these software product markets.

To receive your copy of this pivotal report, please mail or fax the enclosed order form, or call INPUT at (415) 961-3300.

Best regards,



Mary A. Raymond
Senior Consultant

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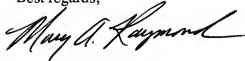
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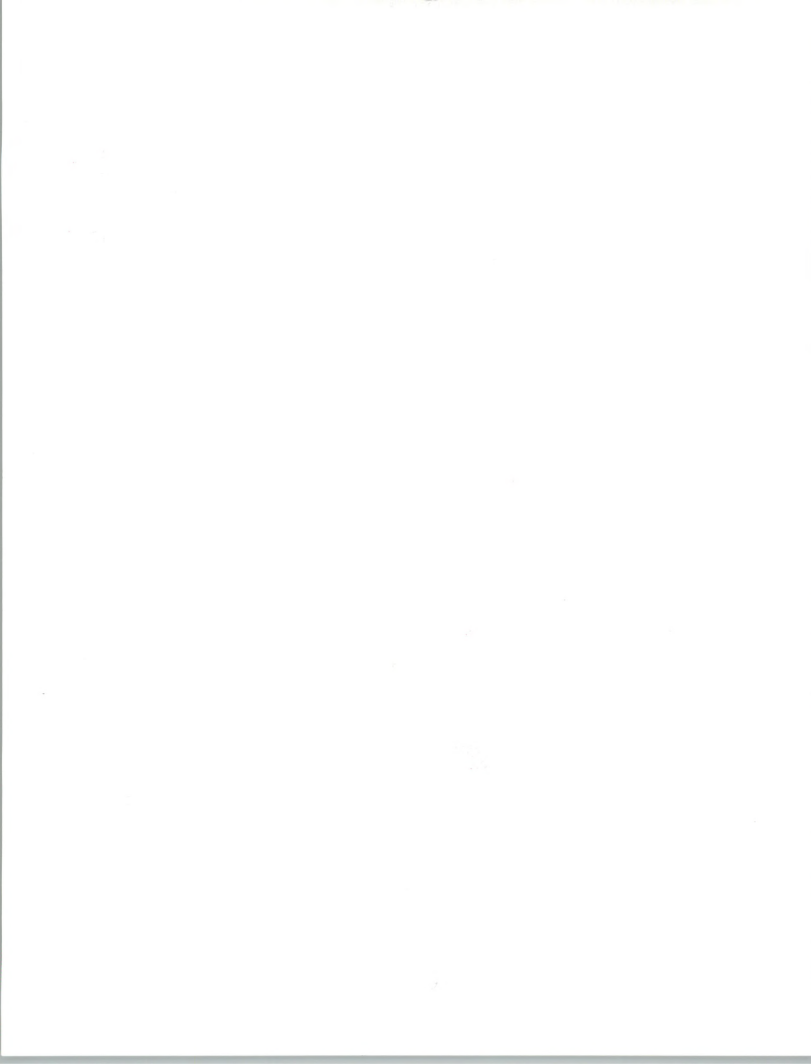
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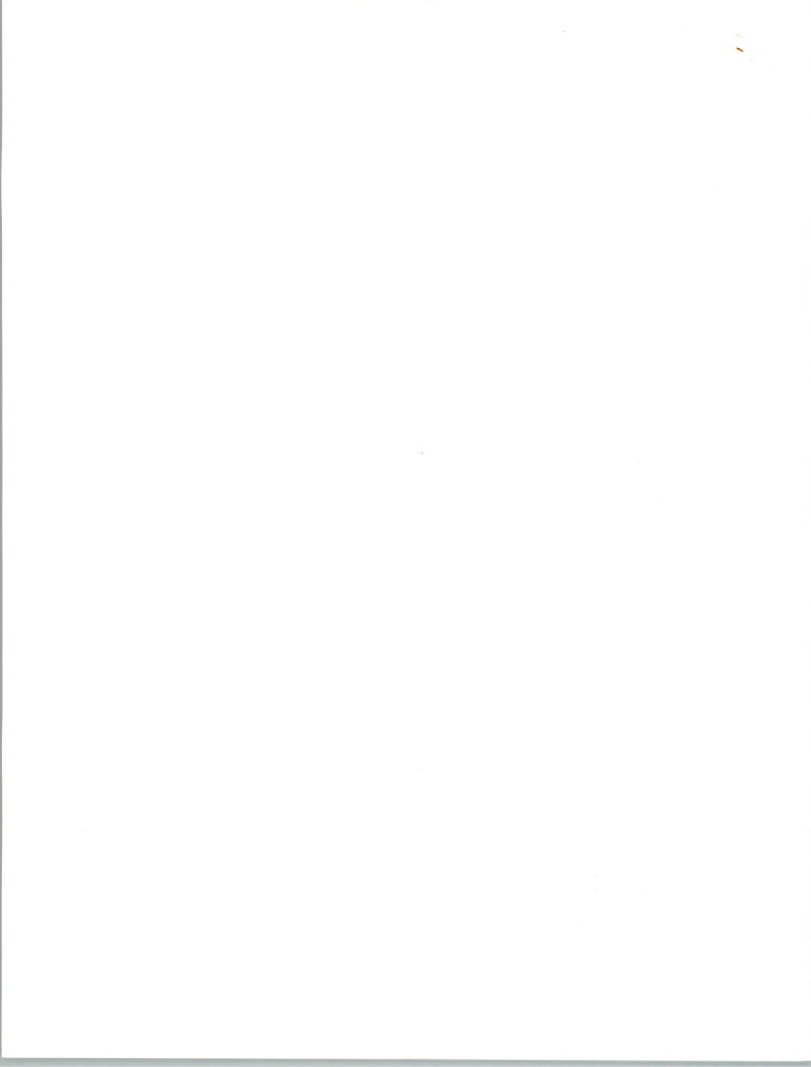
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Name _____

Title _____

Date _____

Date _____



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U.S. Software Products Market, 1989-1994

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The report outlines approaches for both independent software developers and computer systems vendors to maximize product opportunities within this changing industry structural environment.

U.S. Software Products Market, 1989-1994
Market Size and Forecasts
* Overall Market, 1989-1994
* Applications Software
Overall Market Size and Growth
Industry-Specific Applications Market
Cross-Industry Applications Market

key out properly so whole exhibit is on one page



Leading Applications Software Products Vendors
* Systems Software
Market Size and Growth by Principal Sub-Delivery Modes
Leading Systems Software Products Vendors
* Market Forces
* Market Opportunities
Issues and Trends
* Software Products Technology/Market Trends
Client/Server Implementation
Application Development Tool Technology
Voice Recognition
Image Processing/Document Management
Multimedia Applications
Mergers and Acquisitions
Alliances
Standards
Project Management Software
Decision Support Systems/Executive Information Systems
* Principal Software Industry Issues
Migration
Standards
Multi-platform Support
Product Obsolescence
Downsizing



User Confusion
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Competitive Strategies
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TOTAL SOFTWARE PRODUCTS EXPENDITURES, 1989-1994
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(The above exhibit is from Exhibit II-3 in the U.S. Software Products Report, 1989-1994)



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Products, 1989-

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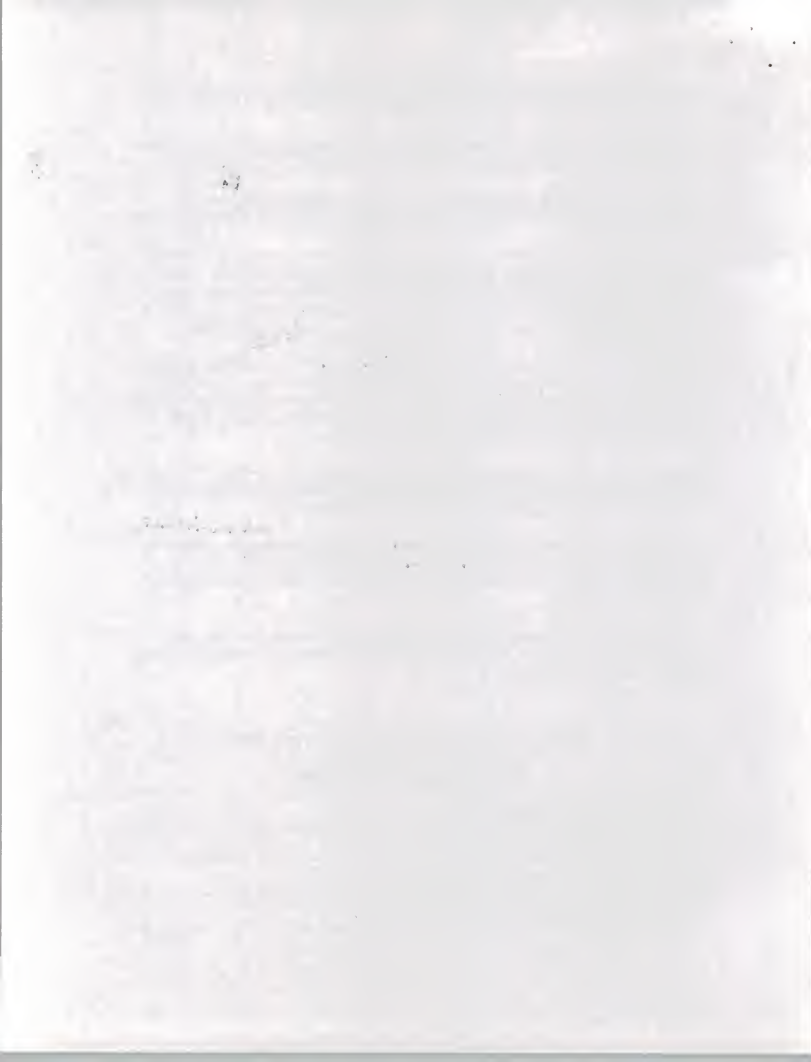
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Voice Recognition
Image Processing/Document Management
Multimedia Applications
Mergers and Acquisitions
Alliances
Standards
Project Management Software
Decision Support Systems/Executive Information Systems
* Principal Software Industry Issues
Migration
Standards
Multi-platform Support
Product Obsolescence



Downsizing
User Confusion
Return on Investment (ROI)
Competitive Environment

- * **Software Markets Structural Change**
- * **Competitive Strategies**

* Software Company Profiles

TOTAL SOFTWARE PRODUCTS EXPENDITURES, 1989-1994
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(The above exhibit is from Exhibit II-3 in the U.S. Software Products Report, 1989-1994



Optimize software product strategy through targeting growth market opportunities

The U.S. Software Products market overall growth is projected to slow modestly over the next five years as the industry continues to show signs of maturing. However, INPUT projects that this market will continue to provide strong growth opportunities relative to both the broader industrial markets and the general information services markets.

INPUT's projects that the systems software products market, in particular, will provide a number of high growth product opportunities.

The just-completed U.S. Software Products Market, 1989-1994, focuses on the reasons behind the slowing growth rate, identifies the product and market areas expected to provide the highest growth rate potential, and discusses strategies for maximizing growth opportunities within these software product markets.

To receive your copy of this pivotal report, please mail or fax the enclosed order form, or call INPUT at (415) 961-3300.

Best regards,

Mary A. Raymond
Senior Consultant



Optimize software product strategy through targeting growth market opportunities...

U.S. Software Products Market, 1989-1994

Current and Prospective Software Vendors:

- FORECAST your potential market for the next five years
- MAXIMIZE YOUR R&D by focusing on the higher growth product opportunities for the 1990s
- INCREASE YOUR MARKET SHARE by effectively restructuring your software product strategy
- COMPETE SUCCESSFULLY by assessing your competitor's software strategies
- IDENTIFY candidates for potential alliances and/or mergers and acquisitions
- STAY AHEAD by evaluating emerging technologies for incorporation into an integrated product strategy
- EVALUATE current software market issues for possible weaknesses in product positioning

CA, Sybase, Ingres,
McCormack & Dodge,
The Santa Cruz
Operation, and more...
are profiled in INPUT's
U.S. Software Market
report

Information That's CRUCIAL for Software

INPUT'S *U.S. Software Products Market, 1989-1994* forecast is based on a survey of over 500 of the larger vendors of software products and in-depth discussions with over fifty company executives on trends and issues impacting the software products industry. In addition, research results from INPUT reviews of fifteen industry-specific and seven cross-industry markets, based on interviews with leading vendors and end users, are incorporated into this annual study of the U.S. software products industry.

Both vendors and users can benefit from the analysis of the software products—market size and growth rates, market trends and issues, and the changing competitive environment—featured in this report.

The U.S. software products market is maturing, reflected in slowing annual growth rates. The adjustment to a slower growth environment is being complicated by the requirements for increasing product complexity, global market positioning, and accelerating rates of software product obsolescence.

The content of the report addresses the following questions related to the structural changes of the software products industry.

What are the largest application software products markets, and what markets represent the higher growth opportunities?

Much of the historical product development emphasis in the software products industry was on cross-industry (horizontal) solutions. Certain of these cross-industry markets now represent the larger, more mature software product sectors. However, there are still high growth market opportunities in several of the cross-industry sectors, which are identified in the report.

Industry-specific (vertical) software products markets are receiving considerable attention, particularly from the large computer systems vendors, as part of a total solutions marketing strategy. Many vertical markets represent smaller niche market segments. The larger, faster growing vertical markets, which can provide sustained longer term growth, are highlighted in the report.

Why will the systems software products market reflect a higher growth rate than the application software products markets in the 1990s?

The application development tool market is projected to represent major product opportunities in the 1990s for independent software vendors, computer systems vendors, and professional services companies. The ability to develop quality software in a cost competitive manner will be a major factor for success in the software products markets of the 1990s.

CASE, image processing, and voice recognition all represent technologies in early stages of development, with large market potential over the next ten years.

Why should many software products companies have formal alliance and mergers and acquisitions programs?

The software products industry is undergoing major structural changes which will continue well into the 1990s. These relate to the maturing of particular market segments, accelerated R&D cost stemming from the increased product complexity of an integrated product requirement, and the rapid rate of change in hardware technology which is accelerating the pace of software product obsolescence.

Also, the relative performance of the high technology sectors in recent years versus the broader market indexes reflects investors' perceptions of the maturing of this industry. The ability to raise capital for both new and mature software products companies through the traditional public markets has become much more difficult since the stock market 'crash' of October 1987.

Increasingly, software company managers will be required to look to alternative methods for leveraging their technology, including marketing relationships and obtaining equity from nontraditional market sources.

In addition, the larger computer systems, professional services, and non-industry companies with strong financial and marketing capabilities are becoming much more aggressive in the software products markets. This is increasing the level of competition.

Success in the 1990s

The report outlines approaches for both independent software developers and computer systems vendors to maximize product opportunities within this changing environment.

U.S. Software Products Market, 1989-1994

Market Size and Forecasts

- | | |
|---|--|
| <ul style="list-style-type: none"> • Overall market, 1989-1994 • Applications software <ul style="list-style-type: none"> - Overall market size and growth - Industry-specific applications market - Cross-industry applications market - Leading applications software products vendors | <ul style="list-style-type: none"> • Systems software <ul style="list-style-type: none"> - Market size and growth by principal sub-delivery modes - Leading systems software products vendors • Market forces • Market opportunities |
|---|--|

Issues and Trends

- | | |
|--|--|
| <ul style="list-style-type: none"> • Software products technology/market trends <ul style="list-style-type: none"> - Client/server implementation - Application development tool technology - Voice recognition - Image processing/document management - Multimedia applications - Mergers and acquisitions - Alliances - Standards - Project management software - Decision support systems/executive Information systems | <ul style="list-style-type: none"> • Principal software industry issues <ul style="list-style-type: none"> - Migration - Standards - Multi-platform support - Product obsolescence - Downsizing - User confusion - Return on investment (ROI) |
|--|--|

Competitive Environment

- | | |
|--|---|
| <ul style="list-style-type: none"> • Software markets structural change • Competitive strategies | <ul style="list-style-type: none"> • Software company profiles |
|--|---|

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About INPUT

INPUT provides planning information, analysis, and recommendations to managers and executives in the information processing industries. Through market research, technology forecasting, and competitive analysis, INPUT supports client management in making informed decisions.

Continuous-information advisory services, proprietary research/consulting, merger/acquisition assistance, and multiclient studies are provided to users and vendors of information systems and services (software, processing services, turnkey systems, systems integration, professional services, communications, and systems/software maintenance and support).

Many of INPUT's professional staff members have more than 20 years' experience in their areas of specialization. Most have held senior management positions in operations, marketing, or planning. This expertise enables INPUT to supply practical solutions to complex business problems.

Formed as a privately held corporation in 1974, INPUT has become a leading international research and consulting firm. Clients include more than 100 of the world's largest and most technically advanced companies.

INPUT OFFICES

North America

Headquarters

1280 Villa Street
Mountain View, CA 94041-1194
(415) 961-3300
Telex 171407 Fax (415) 961-3966

New York

959 Route 46 East, Suite 201
Parsippany, NJ 07054
(201) 299-6999
Telex 134630 Fax (201) 263-8341

Washington, D.C.

1953 Gallows Road, Suite 560
Vienna, VA 22182
(703) 847-6870 Fax (703) 847-6872

International

Europe

Piccadilly House
33/37 Regent Street
London SW1Y 4NF, England
(01) 493-9335
Telex 27113 Fax (01) 629-0179

Paris

52, boulevard de Sébastopol
75003 Paris, France
(33-1) 42 77 42 77 Fax (33-1) 42 77 85 82

Tokyo

Saida Building
4-6, Kanda Sakuma-cho
Chiyoda-ku, Tokyo 101, Japan
(03) 864-0531 Fax (03) 864-4114